

**ERA****Energy Resources of Australia Ltd**

ABN 71 008 550 865

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## Media Release and Stock Exchange Announcement

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25 October 2006

### INCREASE IN RANGER MINE'S RESERVES

- **Total reserves increased by 11,100 tonnes contained uranium oxide.**
- **This increase results from screening and processing stockpiled material between the grade of 0.02 and 0.08 per cent uranium oxide.**
- **The additional reserves, with an average grade of 0.074 per cent uranium oxide, will be processed between 2014 and 2020, adding six years to the predicted operational life of Ranger.**

Since mining operations began at Ranger, material with a grade greater than 0.02 per cent uranium oxide and below the economic cut-off grade has been stockpiled separately in accordance with ERA's mining authorisation. Recent increases in the market price of uranium oxide have warranted a review of these stockpiles. Technical studies have established that smaller sized mineralised fragments are of higher grade than the larger fragments. Through a screening process, it is projected that 15 million tonnes of material with an average grade of 0.074 per cent uranium oxide can be economically processed.

ERA has previously stated that mining at Ranger was expected to continue until at least 2008, with milling operations continuing until at least 2014. The processing of this screened material is now expected to occur from late in 2014 to 2020, adding six years to the predicted operational life of Ranger. Mining of the present estimated reserves at Ranger is still expected to cease in 2008.

A further 41.8 million tonnes of material between the grade of 0.02 per cent and 0.08 per cent uranium oxide with an average grade of 0.04 per cent remains in stockpiles at the end of mining. This material is not included in the company's mineral resources or ore reserves. The company is investigating methods of economically processing this material. Options include further sorting and plant throughput increases.



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**RANGER ORE RESERVES AND MINERAL RESOURCES**

	AS AT 30 SEPTEMBER 2006			AS AT 31 DECEMBER 2005		
	Cut-off grade 0.08% U <sub>3</sub> O <sub>8</sub>			Cut-off grade 0.08% U <sub>3</sub> O <sub>8</sub>		
	ORE (MT)	GRADE (% U <sub>3</sub> O <sub>8</sub> )	CONTAINED U <sub>3</sub> O <sub>8</sub> , tonnes	ORE (MT)	GRADE (% U <sub>3</sub> O <sub>8</sub> )	CONTAINED U <sub>3</sub> O <sub>8</sub> , tonnes
<b>RANGER ORE RESERVES</b>						
Current Stockpiles	24.88	0.10	25,927	9.88	0.15	14,716
<b>Ranger 3 Pit</b>						
In-situ ore						
Proved	6.05	0.24	14,584	4.48	0.25	11,314
Probable	5.19	0.23	11,923	8.42	0.22	18,428
Sub-total Proved and Probable Reserve	11.24	0.24	26,506	12.90	0.23	29,741
<b>Total Ranger 3</b>						
<b>Stockpile, Proved and Probable Reserve</b>	<b>36.12</b>	<b>0.15</b>	<b>52,433</b>	<b>22.78</b>	<b>0.20</b>	<b>44,458</b>

**RANGER MINERAL RESOURCES**

IN ADDITION TO THE ABOVE RESERVE

Measured	3.67	0.16	5,793	1.42	0.15	2,115
Indicated	18.21	0.14	25,507	12.55	0.14	18,018
Sub-total Measured and Indicated Resource	21.88	0.14	31,300	13.97	0.14	20,133
Inferred Resource	7.24	0.14	10,069	16.11	0.14	22,454
<b>Total Resources</b>	<b>29.12</b>	<b>0.14</b>	<b>41,369</b>	<b>30.08</b>	<b>0.14</b>	<b>42,587</b>

Ranger reserves reconciliation	U <sub>3</sub> O <sub>8</sub> Tonnes
Reserve as at 1 January 2006	44,458
Additional Reserves from stockpile	11,100
Reserve model variance	369
Reserve Depleted by Processing	(3,493)
Reserve as at 30 September 2006	52,433

**Note – Resource Estimate**

Recent drilling has improved the level of confidence in the resource estimation. Although the overall ore resource decreased by 0.96 million tonnes, the measured category increased by 2.25 million tonnes and the indicated category increased by 5.66 million tonnes.

As required by the Australian Stock Exchange, the above table contains details of other mineralisation that has a reasonable prospect of being economically extracted in the future but which is not yet classified as Proven or Probable Reserves. This material is defined as Mineral Resources under the JORC Code. Estimates of such material are based largely on geological information with only preliminary consideration of mining, economic and other factors. While in the judgement of the Competent Person there are realistic expectations that all or part of the Mineral Resources will eventually become Proven or Probable Reserves, there is no guarantee that this will occur as the result depends on further technical and economic studies and prevailing economic conditions in the future.

Resources are stated as additional to the reserves reported in the table above.

The information in this report that relates to Mineral Resources or Ore Reserves is based on information compiled by the company's Geologist, Stephen Dinkowitz and Mining Engineer, Dayle Kenny, who are members of the Australasian Institute of Mining & Metallurgy and full-time employees of the company. Stephen Dinkowitz and Dayle Kenny have sufficient experience which is relevant to the style of mineralisation and the type of deposit under consideration, and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Stephen Dinkowitz and Dayle Kenny consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

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For further information on the Company's activities please access ERA's website at  
<http://www.energyres.com.au>